THE IMPACT OF CAPITAL MARKET DEVELOPMENT ON ECONOMIC GROWTH AMONG MENA REGION COUNTRIES

INTISAR JIUMA MO

A thesis submitted in
Fulfillment of the requirement for the award of the
Doctor of Philosophy

Faculty of Technology Management and Business
University Tun Hussein Onn Malaysia

January 2017

DEDICATION

I dedicate this work to the soul of my father and to my beloved mother

ACKNOWLEDGEMENTS

I wish to express my sincere gratitude to my supervisor Associate Professor Dr. Wan Fauziah Wan Yusoff, who has guided me into the fascinating world of research. I wish to express my thanks, for her contributions, excellent collaboration, valuable discussions, and unreserved support.

My special thanks go to Doctor Mohammed Elshahat for his positive and constructive advice and support throughout, and for always being so helpful.

Most importantly, thanks and love to my wonderful sisters and brothers. They have wished so long for this thesis, waited and supported me throughout these years.

ABSTRACT

Middle East and North African (MENA) region is home to nearly 60% of the 1.4 trillion barrels of proven crude oil reserves and 46% of the 192 trillion standard cubic meters of natural gas reserves (OPEC, 2010). Although the capital market plays an important role in economic development in many countries, ~~(~~MENA~~)~~ region the role is not so clear. The region has participated less in the globalization and integration of international capital markets than have Asian and Latin American countries. Capital flows into the MENA region have been small. Countries in the region have had almost no direct access to the capital markets of industrial countries. The region has made only limited use of market-based income-hedging devices (such as product insurance and forward markets) despite its vulnerability to international price developments. Accordingly capital markets in the region are assumed to have not effectively utilized to generate economic growth due to structural and cultural factors albeit their potential prospects. Hence this study analyses and measures the historical impact of capital market development on the economic growth of four leading countries in the MENA region; Egypt and Tunisia (as non-oil driven economies); and Saudi Arabia and Kuwait (as oil exporter economies). In order to achieve the research aim, a quantitative method approach is adopted. Using 13 time periods (years) from 2002 to 2014 as the annual time-series data of the four countries, this study focuses on indicators that reflect the state of development of the capital market. This study used four variables as a General Index proxy for capital market development; (1) market capitalization ratio to GDP, (2) value of shares traded, (3) Number of shares traded, and (4) number of transactions, while gross domestic product (GDP) was used as a proxy for economic growth. In addition, the study used six macroeconomic variables as control variables, including (GDP/capita), saving rate ratio to GDP, investment rate ratio to GDP, interest rates, inflation, and exchange rates. The data of this study were analysed using Ordinary Least Squares (OLS) regression to examine the capital market development and economic growth relationship for the four countries. Pooled OLS regression analysis was adopted to examine the effects of development of the capital market on the economic growth of the countries as a group. The results of OLS regression indicate that the Egyptian capital market development had significant effects on economic growth, although there were mixed results when different proxies of capital market development indicators were used. In Tunisia, Saudi Arabia, and Kuwait, the level of capital market development had little influence on economic growth, and most of the results were insignificant when different proxies of capital market development indicators were used. However, using the OLS regression analysis model for the four countries combined showed that the development of the capital market had a significant impact on the economic growth of these countries. This study concluded that economic policy options consistent with maximizing economic performance and aiming at elevating economic growth should be developed through the integration of capital markets of the region. Therefore, policy makers should provide incentives to integrate the capital markets and unify economic structures where possible, by diverting funds to investment to further stimulate the growth of their economies.

Keywords; Capital market development, Economic growth, Egypt, Tunisia, Saudi Arabia, Kuwait, MENA region

ABSTRAK

Timur Tengah dan Afrika Utara (MENA) terbukti mempunyai hampir 60% daripada 1.4 trilion tong rizab minyak mentah dan 46% daripada 192 trilion meter padu standard rizab gas asli (OPEC, 2010). Walaupun pasaran modal memainkan peranan penting untuk pembangunan ekonomi di kebanyakan negara di rantau MENA, peranan tersebut masih belum begitu jelas. Rantau ini juga kurang mengambil bahagian dalam globalisasi dan integrasi pasaran modal antarabangsa berbanding dengan negara-negara di Asia dan Amerika Latin. Aliran modal ke rantau MENA juga adalah kecil dan negara di rantau ini hampir tiada akses terhadap pasaran modal luar. Ini menyebabkan rantau MENA hanya menggunakan sumber pendapatan lindung nilai terhad yang berasaskan pasaran seperti insurans produk dan pasaran hadapan. Walaupun rantau MENA mempunyai prospek yang tinggi, perkembangan pasaran modal antarabangsa di rantau ini didapati lemah untuk menjana pertumbuhan ekonomi disebabkan oleh faktor struktur dan budaya. Justeru itu kajian ini menganalisis dan mengukur kesan sejarah pembangunan pasaran modal ke atas pertumbuhan ekonomi di empat negara utama dalam rantau MENA; Mesir dan Tunisia (sebagai ekonomi yang berasaskan bukan minyak); dan Arab Saudi dan Kuwait (negara-negara pengeksport minyak). Untuk mencapai matlamat kajian, pendekatan kaedah kuantitatif telah diguna pakai. Menggunakan 13 tahun tempoh masa dari tahun 2002-2014 sebagai data siri masa tahunan empat negara, kajian ini memberi tumpuan kepada petunjuk yang mencerminkan keadaan pembangunan pasaran modal. Kajian ini menggunakan empat pembolehubah sebagai proksi Indeks Umum untuk pembangunan pasaran modal; (1) nisbah permodalan pasaran kepada KDNK, (2) nilai saham yang diniagakan, (3) Jumlah saham yang diniagakan, dan (4) Jumlah transaksi keluaran dalam negara kasar (KDNK), digunakan sebagai proksi untuk pertumbuhan ekonomi. Di samping itu, kajian ini, menggunakan enam pembolehubah makroekonomi sebagai pembolehubah kawalan, termasuk (GDP / kapita), menjimatkan nisbah kadar kepada KDNK, nisbah kadar pelaburan kepada KDNK, kadar faedah, inflasi, dan kadar pertukaran. Data kajian ini telah dianalisis menggunakan Ordinary Least Squares (OLS) regresi untuk mengkaji pembangunan pasaran modal dan hubungan pertumbuhan ekonomi bagi empat negara. Analisis OLS regresi pula telah digunakan untuk mengkaji kesan pembangunan pasaran modal kepada pertumbuhan ekonomi negara-negara sebagai satu kumpulan. Keputusan OLS regresi menunjukkan bahawa pembangunan pasaran modal Mesir mempunyai kesan yang signifikan ke atas pertumbuhan ekonomi negara tersebut. Didapati juga pelbagai kesan berlaku apabila proksi petunjuk pembangunan pasaran modal dianalisis. Tahap pembangunan pasaran modal tidak mempunyai pengaruh yang signifikan kepada pertumbuhan ekonomi bagi negara Tunisia Arab Saudi dan Kuwait. Malah tiada keputusan signifikan apabila analisis proksi petunjuk pembangunan pasaran modal dijalankan. Walau bagaimanapun analisis Regrasi model OLS bagi empat-empat negara pula menunjukkan pembangunan pasaran modal mempunyai kesan yang signifikan ke atas pertumbuhan ekonomi. Kajian ini merumuskan bahawa pilihan dasar ekonomi bagi memaksimumkan prestasi ekonomi untuk meningkatkan pertumbuhan ekonomi boleh dibangunkan melalui integrasi pasaran modal di rantau ini. Oleh itu, pembuat dasar perlu menyediakan insentif untuk mengintegrasikan pasaran modal dan menyatukan struktur ekonomi dengan mengalihkan dana untuk pelaburan untuk terus merangsang ekonomi mereka berkembang

Kata Kunci: Pembangunan pasaran modal, Pertumbuhan ekonomi, Mesir, Tunisia, Arab Saudi, Kuwait, dan Rantau MENA

TABLE OF CONTENTS

CHAPTER 5 DATA ANALYSIS AND FINDING

CHAPTER 6 SUMMARY, DISCUSSION AND CONCLUSION

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

MENA	Middle East and North Africa
MCR	Market Capitalization Ratio
NT	Number of Transaction
VST	Value of Share Traded
NST	Number of Share Traded
IDX	General Index
EG	Economic Growth
GDP	Gross Domestic Product
INC	Real Income (GDP/Per Capita)
SR	Saving Rate
INV	Investment Rate
IR	Interest
INF	Inflation Rate
ER	Exchange Rate

CHAPTER 1

INTRODUCTION

1.1 Introduction

Capital markets are closely related to economic growth, and a strong economic growth is always related with buoyant capital market performance (Phang, 2006).Their performance provides a bridge through which the savings of surplus units may be transformed into medium and long-term investments in the deficits units, which enhances economic growth and the prospects of the economy (Anigbogu & Nduka, 2014). Traditionally, capital markets are considered to be the main predictors for economic growth and, in order to determine stock prices, investors estimate future earnings of the firms that are closely linked to the economic environment (Har, Ee & Tan, 2008). The capital market develops the economy by stimulating specific financial market conditions, providing risk capital and direct subscription, encouraging new industries, encouraging export promotion and import substitution industries and the development of regions (Gurusamy, 2009). Hence, many emerging market economies have taken major steps to improve their macroeconomic performance by strengthening their monetary and budget policies. They have also managed to create a favorable environment by balancing and developing a stable domestic market. International financial institutions (IFIs) and advanced economic authorities have a major role to play in integrating the emerging market countries into the world capital market (Lipsky, 2007).

A "Capital Market" is defined as a market for borrowing and lending long term capital funds required by industries (Gurusamy, 2009). It offers an excellent source of external finance and represents all the facilities and the institutional arrangements for borrowing and lending medium term and long term funds (Gurusamy, 2009). The capital market is comprised of a primary market which deals with the trading of new securities when a company issues securities for the first time (Jalloh, 2009), and a secondary market for existing shares that are traded. Thus, it facilitates the buying and selling of securities that are already in the hands of the general public (investors) (Osinubi & Amaghionyeodiwe, 2003).

1.2 Background of the Study

This section provides the background of the MENA region countries and a general review of capital market development in the MENA countries and economic development in the MENA region.

1.2.1 Country classification

The Middle East and North Africa region (MENA), as defined by Regional economic Outlook (2015) comprises Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates, and Yemen.
Countries in the MENA region share several cultural, historical and geographical traits but also many marked differences, being two of the most notable the availability or lack of hydrocarbon resources in their territories and the size of their native populations. MENA economies can be classified in three main groups:

1. Resource rich, labour abundant countries are producers and exporters of oil and gas and have large native populations which represent almost the totality of their residents. This group of countries includes Algeria, Iraq, Syria and Yemen.
2. Resource rich, labour importing countries are producers and exporters of oil and gas and have large shares of foreign or expatriate residents which represent a significant percentage of the total population and even the majority in some

cases. This group of countries includes the Gulf Co-operation Council (GCC) members (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE) and Libya.

3. Resource poor countries are small producers or importers of oil and gas. These countries comprise Djibouti, Egypt, Jordan, Lebanon, Mauritania, Morocco, Tunisia and the Palestinian Territories (Mendez, 2011).

The MENA region is home to nearly 60% of the 1.4 trillion barrels of proven crude oil reserves and 46% of the 192 trillion standard cubic meters of natural gas reserves (OPEC, 2010). However, the distribution of hydrocarbon wealth is uneven across countries, with only six countries (including Iran accounting for 94% of proven oil reserves, and Saudi Arabia taking the lion's regional share of 31% (OECD, 2011). The resource rich countries members of the Gulf Co-operation Council (GCC) and Libya have vast oil resources, are home to small populations (except Saudi Arabia) and are important magnets of foreign workers, both skilled and unskilled. These resource rich, labour-importing countries are home to only 15% of the total population in the MENA region yet they account for nearly half of its total GDP and register high levels of GDP per capita. GDP per capita in this subgroup of countries is significantly above the regional median of US$8,300, ranging from around US$15 000 in Libya to a very high US$88 000 in Qatar (OECD, 2011). The rest of the resource rich countries host comparatively larger populations (37% of the total in the MENA region) and account for a lower share of regional GDP (less than 20%). These countries' average GDP per capita of US$4 600 is significantly lower, even compared to the resource poor countries, which account for above 46% of total population and 32% of total GDP.

1.2.2 Capital market development in MENA region

The history of capital market development in the MENA region is interesting as very few stock exchanges have been established in the past ten years, from 2007 to 2015 (OECD, 2012), while some stock exchanges have been active since the 18th century and had emerged from different economic contexts (OECD, 2012). Egypt's capital market is an excellent example of a long-established market that has received a lot of investor attention over the last few years. Established in the late 18th century, it is the oldest market in the region, but its operations were suspended for a number of years during the 1950s and the 1960s (Billmeier & Massa, 2007), Other markets, such as those in the Gulf Cooperation Council (GCC) were established late in the 1980s and 1990s (OECD, 2012).

Stock exchanges in the region remain focused on attracting domestic listings and many bourses do not especially aim to attract foreign companies (OECD, 2012)**.** Some countries, such as Jordan, have restrictions on foreign investor's for certain sectors, but other markets, like those of Egypt, Morocco and Turkey, have no restrictions on foreign participation (Assaf, 2006). GCC markets have varying degrees of openness to foreign investment; for example, Saudi Arabia is mostly inaccessible to foreign investors, whereas Dubai and Bahrain are relatively more open to foreign capital flows(Balcilar, Demirer, Hammoudeh, 2013).

In most MENA markets, the presence of foreign issuers remains marginal or non-existent. Only NASDAQ Dubai and the Dubai Financial Market have attracted considerable foreign issuers relative to the size of their overall market. Other markets in the region, such as the Kuwait Stock Exchange, have some foreign issuers, but their presence is limited: of the 229 companies listed at the end of 2010, only 13 were foreign-owned (OECD, 2012). Despite their openness, the MENA region's market capitalization is still small in proportion to its overall GDP. The main reason for the underdevelopment of the MENA region's capital markets is that they still attract only a small proportion of the world's foreign cash flow (Assaf, 2006). MENA countries, in particular Libya, Egypt, Tunisia, Jordan and Saudi Arabia, have all begun similar reform programmes aimed at achieving the stabilisation of their economies (Masoud, 2009).

A privatization program initiated in 1990 and enhanced in 1996, which utilised IPOs as one of its preferred methods of divestment, was key to reactivating the MENA stock exchanges not only by increasing listings and attracting foreign investment, but also by encouraging other private firms to raise capital through the stock market (OECD, 2013). The privatization program encouraged foreign investors to put their money into MENA countries, clearing the linkage between privatization and capital market volatility. In 2001, the MENA region managed to attract only US$10bn of foreign direct investment, compared to US$50bn for Latin America and US$70bn for Asia (Assaf, 2006). Furthermore, until recently the MENA region did not show a rising trend of privatization, as occurred in other developed and emerging markets. Stock exchanges are mostly state-owned or organised as public institutions. Very few exchanges in the region are listed or mutually-owned. Currently, out of the 18 bourses in the region, 14 are owned by the state and 3 are structured as mutual organisations. Only 2 exchanges in the region, namely the Palestine Stock Exchange and the Dubai Financial Market, are owned by private investors and are not mutualized (OECD, 2012). The majority continue to operate as state owned organisations, either as incorporated government-owned companies or as unincorporated state administrative entities. For this reason, Arab exchanges remain somewhat anomalous in a world of increasingly privately owned and self-listed exchanges (OECD, 2013).

The MENA capital markets are generally perceived as less developed, suffering from a number of institutional underdevelopments, and limited by several structural and regulatory weaknesses. The lack of institutional development is a powerful obstacle to increased access to MENA by international fund. For example, first, derivatives are not available, and foreign access to the market was liberalized only in the last decade. Second, market makers are missing due to the considerable involvement of governments in economic activities. Third, short selling remains illegal, and information disclosure requirement are lax (Lagoarde-Segot & Lucey, 2008).

MENA capital markets, then, are thin and tightly regulated, government ownership is prevalent and market forces play a limited role in most of these countries (Saif & Yaseen, 2006). Capital markets in the MENA region are embryonic and generally lag behind other emerging markets, such as those of Asia and Latin America, with regard to the level of development indicators (Naceur, Boubakri, & Ghazouani, 2008). As of December 2012, the total stock market capitalisation of the world's exchanges was almost USD 55 trillion, of which 26% was from Europe, Africa, and the Middle East, 23% from the Asia-Pacific region, and the rest from the Americas (OECD, 2013). Table 1.1 provides comparative information on the percentage from of the total world of market capitalization for held by MENA countries (over the period 1993- to 2012).

Table 1.1: Percentage of Total World Market Capitalization held by MENA countries (1993-2012)

Region	1993	2003	2010	2012
East Asia & Pacific	32.44%	19.35%	27.64%	25.82%
Europe & Central Asia	22.64%	28.31%	24.85%	24.40%
Euro area	10.93%	15.52%	11.64%	11.87%
Latin America & Caribbean	2.97%	1.72%	5.10%	4.80%
Middle East & North Africa (MENA	0.92%	1.42%	2.27%	2.17%
North America	38.97%	47.33%	35.63%	38.91%
Sub-Saharan Africa	0.00%	0.92%	1.37%	1.40%

Sources: (World development indicators, 2012)

Table 1.1 indicates that the percentage of total world Market Capitalization held by MENA countries increased by 1.3% from 1993 to 2012, but at the end of 2011, the market capitalization of the MENA countries was still very low compared to other developed and emerging markets. The comparative underdevelopment of the MENA capital market has encouraged many MENA governments to address the situation, and several capital markets in the region are working on upgrading their infrastructure and technological systems for trading. For example, Egypt utilized computer based trading system through revitalizing its capital market laws. Other initiatives, such as the implementation of circuit breakers since 1997 to increase the stock market volatility were also involved. Between 1996 and 2000, the market went through volatile and sluggish periods due to the initiatives of the privatization program. The market peaked at a record new high in early 2000, but the outstanding performance did not continue and the market sloped down to new record lows due to deterioration in monetary indicators and tension in the foreign exchange markets. Figure 1. 1: shows Market capitalization of listed companies in MENA from 1993 – 2012.

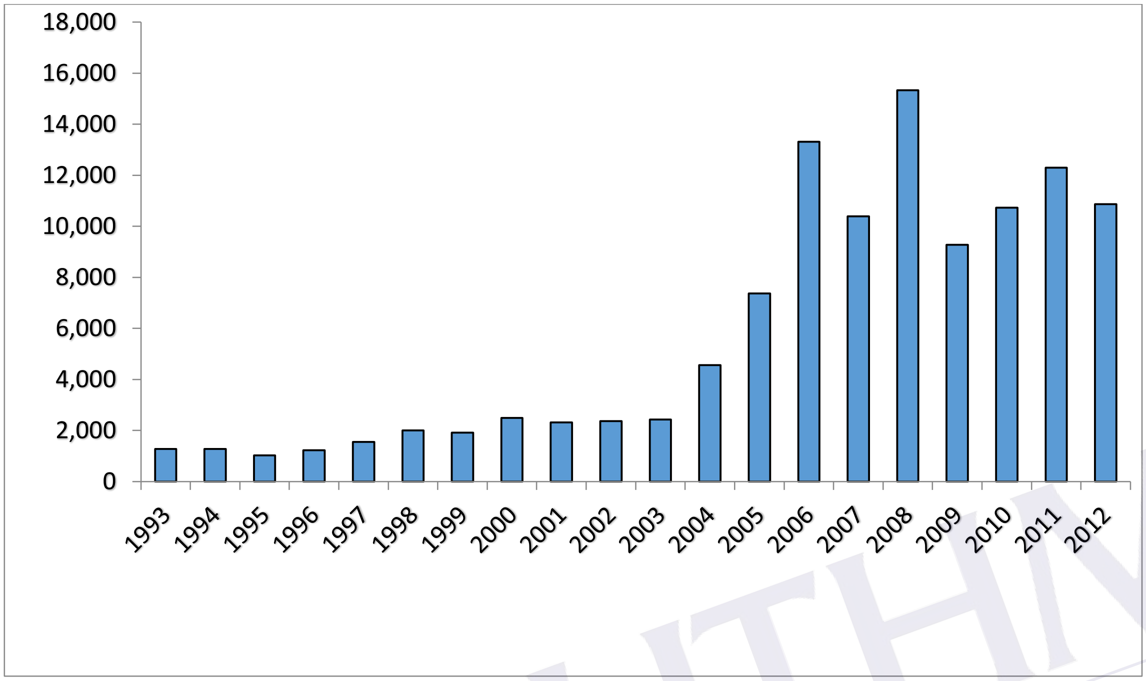

Figure 1.1: Market capitalization of listed companies in MENA (million current US$) (1993 – 2012)
Source:(World Development Indicators, 2012)

Figure 1.1 shows that there was a significant increase in market capitalization in MENA in the middle of the 2000-2010 decade. The peak was reached in 2008, with 1.5 billion US dollars equivalent invested in the capital markets of the region. However, market capitalization declined sharply after the global financial crisis in 2009, before recovering in the following years up to 2012.

1.2.3 Economic development in MENA region

Following the sharp increases in petroleum prices in the early 1970s, growth and development indicators in the MENA region improved rapidly. The sudden increase in investment and growth rates in the oil-exporting countries spread to the rest of the region through increases in worker remittances and capital flows (Dahi & Demir, 2008). The single most important determinant of growth in MENA (where fuel products account for about half of the region's GDP, and around 90 percent of total exports in the oil rich countries) has been the fluctuations in international oil prices. In addition to growth volatility, as a result of high dependence on oil revenues, fiscal policy in the oil rich countries is also volatile (Dahi & Demir, 2008). In large part due to the collapse of oil prices in the 1980s and 1990s, growth rates in the region recorded marked declines. Low growth rates failed to provide the rapidly expanding labor force with sufficient employment opportunities and led to a deterioration of living standards and a rise in poverty rates. As a result, growth performance, GDP per worker, and total factor productivity levels in the MENA region since the early 1980s has been near zero and even negative, closer to the trends in Latin America and lagging far behind East Asia. Furthermore, despite substantial improvements since the gaining of political independence, the region lags behind both East Asia and Latin America in the UN Human Development Index (Dahi & Demir, 2008). The economic growth of Arab oil countries improved from about 1 per cent over the period 1982- 1991 to around 6 percent over the period 1992-1999. The enhanced real GDP growth of these countries is attributed to the economic reforms undertaken and the adoption of more market oriented policies in these systems (Saif & Yaseen, 2006). However, per capita economic growth in the MENA region has been relatively low, in part because of high population growth rates, and in part because many MENA countries still depend on oil exports for economic growth and oil prices remained relatively low throughout the 1980s, 1990s, and early 2000s (Saif & Yaseen, 2006). The region has a side effect on the direction of investment flow between the two categories. The spill-over effect when oil price moves higher or lower impacts both categories of economies, but with a lag. If the oil price moves higher it will have a direct positive impact on the oil exporters, but the effect will be felt much later in oil importing countries. At a later stage, oil importers will benefit from the investment flow from the oil exporter countries and will achieve higher rates of growth as well. Conversely, a decline in oil price would cause growth in the oil exporters to stagnate; however as a result of healthy investment that is not reliant on oil price in non-oil exporter's growth will be relatively higher. Figure.1.2. shows real GDP growth rate patterns for oil exporters and oil importers from 2000 to 2014.

REFERENCES

Abdalla, S. Z. S. (2011). Stock market development and economic growth in Sudan (1995-2009): Evidence from Granger causality test. *Journal of Business Studies Quarterly*, *3*(2), 93.

Abdmoulah, W. (2010). Testing the evolving efficiency of Arab stock markets. *International Review of Financial Analysis*, *19*(1), 25–34.

Abdul Malik, I., & Amjad, S. (2013). Foreign direct investment and stock market development in Pakistan. *Journal of International Trade Law and Policy*, *12*(3), 226–242.

Abida, Zouheia, I. M. S., & Zghidi, N. (2015). Financial Development and Economic Growth: Evidence from North African Countries, (2), 06–09.

Abu-Bader, S., & Abu-Qarn, A. S. (2008). Financial development and economic growth: The Egyptian experience. *Journal of Policy Modeling*, *30*(5), 887–898.

Abu-Mhareb, E. and Fn. A. A.-F. (2011). Stock markets, banks, and economic growth: Empirical evidence from the JURDING. *Research in International Business and Finance*, *21*(2), 297–315. http://doi.org/10.1016/j.ribaf.2006.05.002

ACHY, L. (2003). Financial Liberalization, Saving, Investment and Growth In MENA Countries.

Adenuga, A. O. (2010). Stock Market Development Indicators and Economic Growth in Nigeria (1990-2009): Empirical Investigations. *Central Bank of Nigeria*, *48*(1), 33.

Adjasi, C. K. D., & Biekpe, N. B. (2006). Stock market development and economic growth: the case of selected African countries. *African Development Review*, *18*(1), 144–161.

Aduda, J., Masila, J. M., & Onsongo, E. N. (2012). The determinants of stock market development: The case for the Nairobi Stock Exchange. *International Journal of Humanities and Social Science*, *2*(9), 989–2221.

Adusei, M. (2014). Does Stock Market Development Promote Economic Growth in

Ghana? *International Journal of Economics and Finance*, *6*(6), p119.

Agarwal, S., & Mohtadi, H. (2004). Financial markets and the financing choice of firms: evidence from developing countries. *Global Finance Journal*, *15*(1), 57–70.

Ageli, M. M., & Zaidan, S. M. (2013). Saudi Financial structure and economic growth: a macroeconometric approach. *Ageli, M. M, Zaidan, SM (2012) Saudi Financial Structure and Economic Growth: A Macroeconometric Approach. International Journal of Economics and Finance*, *5*(3).

Ahmad, Z., Khan, A. A., & Tariq, A. (2012). Stock market development and economic growth: A comparative study of Pakistan and Bangladesh. *African Journal of Business Management*, *6*(8), 2985–2989.

Ake, B. (2010). The role of stock market development in economic growth: evidence from some Euronext countries. *International Journal of Financial Research*, *1*(1), 14–20.

Ake, B., & Ognaligui, R. W. (2010). Financial stock market and economic growth in developing countries: The case of Douala Stock Exchange in Cameroon. *International Journal of Business and Management*, *5*(5).

Alajekwu, U. B., & Achugbu, A. A. (2012). The role of stock market development on economic growth in Nigeria: a time series analysis. *African Research Review*, *6*(1), 51–70.

Alam, M. M., & Uddin, M. G. S. (2009). Relationship between interest rate and stock price: empirical evidence from developed and developing countries. *International Journal of Business and Management*, *4*(3), p43.

Alghamedi, A., & Misfer, A. (2012). Assessing the Impact of Stock Market Development on Economic Growth in Saudi Arabia: An Empirical Analysis. Durham University.

Aljahwari, M. (2012). International Influences on Selected MENA Stock Markets By Mohamed AlJahwari A Dissertation Submitted to the Faculty of the Claremont Graduate University in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy in Economics and.

Al-Malkawi, H.-A. N., Marashdeh, H. A., & Abdullah, N. (2012). Financial development and economic growth in the UAE: Empirical assessment using ARDL approach to co-integration. *International Journal of Economics and Finance*, *4*(5), p105.

Alshammary, M. J. M. (2014). An Investigation of the Relationship between Capital Market Development and Economic Growth : The Case of Saudi Arabia.

Altman, E. I., & Hotchkiss, E. S. (2006). Corporate Financial Distress and Bankruptcy: Predict and Avoid Bankruptcy, Analyze and Invest in Distressed debt. 3. Auflage, Hoboken. New Jersey): Wiley, ISBN 0–4716–9189–5.

Aminata. (2011). Capital Market-Growth Nexus in Selected SSA Countries: A panel and time series analysis. *Economics Honors Papers.*, 5.

Amu, C. U., Nwezeaku, N. C., & Akujuobi, A. B. C. (2015). Impact of Capital Market Growth on Economic Growth and Development in Nigeria. *American Journal of Marketing Research*, *1*(3), 93–98.

Ang, J. B. (2008). A survey of recent developments in the literature of finance and growth. *Journal of Economic Surveys*, *22*(3), 536–576.

Angko, W. (2013). The Determinants of Stock Market Volatilities in Ghana. *Research Journal of Finance and Accounting*, *4*(13), 146–165.

Anigbogu, U. E., & Nduka, E. K. (2014). Stock Market Performance and Economic Growth: Evidence from Nigeria Employing Vector Error Correction Model Framework. *The Economics and Finance Letters*, *1*(9), 90–103.

Anthony, O., & Oghoghomeh, T. (2013). Modeling the effect of Capital Market: Empirical evidence from Nigeria. *Research Journal of Finance and Accounting*, *4*(12), 81–89.

Antonios, A. (2010). Stock market and economic growth: an empirical analysis for Germany. *Business and Economics Journal*, *2010*, 1–12.

Assaf, A. (2006). Extreme observations in the MENA stock markets and their implication for VaR measures.

Athanasios, V., & Antonios, A. (2012). Stock market development and economic growth an empirical analysis for Greece. *American Journal of Economics and Business Administration*, *4*(2), 135–143.

Ayadi, R., Arbak, E., Ben-naceur, S., & Groen, W. P. De. (2013). Financial Development , Bank Efficiency and Economic Growth across the Mediterranean.

MEDPRO Policy Paper, *7*(30), 1–15.

Azarmi, T., Lazar, D., & Jeyapaul, J. (2011). Is the Indian stock market a casino? *Journal of Business & Economics Research (JBER)*, *3*(4).

Babbie, E. (2012). The Basics of Social Research: Cengage Learning. *Stamford, CT*.

Badr, O. M. (2015). Stock Market Development and Economic Growth: Evidences from Egypt. *International Journal of Trade, Economics and Finance*, *6*(2), 96.

Bahabwa, R. (2015). An empirical study on the relationship between stock market development and economic growth in Namibia.

Baltagi, B. (2008). *Econometric analysis of panel data* (Vol. 1). John Wiley & Sons.

Barakat, M. R., Elgazzar, S. H., & Hanafy, K. M. (2015). Impact of Macroeconomic Variables on Stock Markets: Evidence from Emerging Markets. *International Journal of Economics and Finance*, *8*(1), 195. http://doi.org/10.5539/ijef.v8n1p195

Barna, F., & Mura, P.-O. (2010). Capital market development and economic growth: the case of Romania. *of The University of Petroşani~ Economics*~, 31.

Barnett, V., & Lewis, T. (1994). *Outliers in statistical data* (Vol. 3). Wiley New York.

Bayar, Y., Kaya, A., & Yildirim, M. (2014). Effects of stock market development on economic growth: Evidence from Turkey. *International Journal of Financial Research*, *5*(1), p93.

Beck, T., Demirgüç-Kunt, A., & Levine, R. (2009). Financial institutions and markets across countries and over time-data and analysis. *World Bank Policy Research Working Paper Series, Vol*.

Beck, T., & Levine, R. (2001). *Stock markets, banks, and growth: correlation or causality?* (Vol. 2670). World Bank Publications.

Beck, T., & Levine, R. (2004). Stock markets, banks, and growth: Panel evidence. *Journal of Banking & Finance*, *28*(3), 423–442.

Becker, W. E., Greene, W. H., & Siegfried, J. J. (n.d.). Module Three, Part One: Panel Data Analysis In Economic Education Research.

Bell, S. (2007). Select The Research Method: Part 02, 89–109.

Ben Naceur, S., Ghazouani, S., & Omran, M. (2007). The determinants of stock market development in the Middle-Eastern and North African region. *Managerial Finance*, *33*(7), 477–489.

Benaković, D., & Posedel, P. (2010). Do macroeconomic factors matter for stock returns? Evidence from estimating a multifactor model on the Croatian market. *Business Systems Research*, *1*(1-2), 39–46.

Bencivenga, V. R., Smith, B. D., & Starr, R. M. (1996). Equity markets, transactions costs, and capital accumulation: an illustration. *The World Bank Economic Review*, *10*(2), 241–265.

Bhattacharya, H. (2008). Interpretive research. *The Sage Encyclopedia of Qualitative Research Methods*, *1*, 2.

Billmeier, A., & Massa, I. (2007). Go Long or Short in Pyramids? News from the Egyptian Stock Market. *IMF Working Papers*, 1–27.

Bollen, K. A., & Brand, J. E. (2010). A general panel model with random and fixed effects: A structural equations approach. *Social Forces*, *89*(1), 1–34.

Boopendra Seetanah, U. S., Raja Vinesh Sannassee, M. L., & Ajageer, V. (2012). Stock market development and economic growth : Evidence from least developed countries, (05).

Brasoveanu, L. O., Victor, D., Delia, C., & Andreea, S. (2008). Correlations between capital market development and economic growth: The case of Romania.

British Petroleum. (2015). BP Statistical Review of World Energy June 2015, (June), 48. http://doi.org/bp.com/statisticalreview

Bryman, A. (2008). *Social research methods*. New York: Oxford university press 2008.

Burns, R., & Burns, R. (2008). Discriminant analysis. *Business Research Methods and Statistics Using SPSS*, 589–608.

Cameron, A. C., & Trivedi, P. K. (2009). Microeconometrics with STATA. *StataCorp LP: College Station, Texas*, 521–552.

Caner, M., & Kilian, L. (2001). Size distortions of tests of the null hypothesis of stationarity: evidence and implications for the PPP debate. *Journal of International Money and Finance*, *20*(5), 639–657.

Caporale, G. M., Howells, P. G. A., & Soliman, A. M. (2004). Stock market development and economic growth: the causal linkage. *Journal of Economic Development*, *29*(1), 33–50.

Cavenaile, L., Gengenbach, C., & Palm, F. (2014). Stock markets, banks and long run economic growth: a panel cointegration-based analysis. *De Economist*, *162*(1), 19–40.

Cecchetti, S. G., & Kharroubi, E. (2012). Reassessing the impact of finance on growth.

Ceil, C. (2012). Dubai Stock Market Development and its Effect on Economic Growth. *Available at SSRN 2061527*.

Chau, F., Deesomsak, R., & Wang, J. (2014). Political uncertainty and stock market volatility in the Middle East and North African (MENA) countries. *Journal of International Financial Markets, Institutions and Money*, *28*, 1–19.

Cheng, A.-R., Jahan-Parvar, M. R., & Rothman, P. (2010). An empirical investigation of stock market behavior in the Middle East and North Africa. *Journal of Empirical Finance*, *17*(3), 413–427.

Cherif, M., & Gazdar, K. (2010). Macroeconomic and institutional determinants of stock market development in MENA region: new results from a panel data analysis. *International Journal of Banking and Finance*, *7*(1), 8.

Chia, R. (2002). The production of management knowledge: Philosophical underpinnings of research design. *Essential Skills for Management Research, Sage, London*, 1–18.

Chipaumire, G., & Ngirande, H. (2014). How Stock Market Liquidity Impact Economic Growth in South Africa.

Chizea, J. (2012). Stock Market Development and Economic Growth in Nigeria: A Time Series Study for the period 1980-2007. Northumbria University.

Claus, I., Haugh, D., Scobie, G., & Tornquist, J. (2001). *Saving and growth in an open economy*. New Zealand Treasury.

Colander, D. (2010). The economics profession, the financial crisis, and method. *Journal of Economic Methodology*, *17*(4), 419–427.

Creane, S., Goyal, R., Mobarak, a M., & Sab, R. (2004). Financial Sector Development in the Middle East and North Africa. *October*, (ii), 1–28.

Creswell, J. w. (2009). *Research design: Qualitative, quantitative, and mixed methods approaches*. SAGE Publications, Incorporated.

Creswell, J. W. (2013). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

Dahi, O. S., & Demir, F. (2008). The Middle East and North Africa. *International Handbook of Development Economics*, *2*, 522–535.

de Vaus, D. (2001). The Context of Design. *Research Design in Social Research*, 279. http://doi.org/10.1177/1473325011401471

Denicola, C. (2005). Dubai's political and economic development: An oasis in the desert. *Unpublished Doctoral Thesis, Williams College, Williamstown, MA*.

Diaconssu, D.-E. (2015). Stock market – economy growth nexus in an emerging country . The case of Romania, *XXII*(2), 103–112.

Donwa, P., & Odia, J. (2010). An empirical analysis of the impact of the Nigerian capital market on her socio-economic development. *Journal of Social Sciences*, *24*(2), 135–142.

Dorrucci, E., Meyer-Cirkel, A., & Santabárbara, D. (2009). Domestic financial development in emerging economies: Evidence and implications. *ECB Occasional Paper*, (102).

Duca, G. (2007). The relationship between the stock market and the economy: experience from international financial markets. *Bank of Valletta Review*, *36*(3).

Edwards, A., & Skinner, J. (2010). *Qualitative research in sport management*. Routledge.

Ejededawe, A. (2014). The Role of Stock Market on Nigeria ' s Economic Development, *4*(4), 1–7.

Ekiti, A. (2014). The Role of Stock Market on Nigeria ' s Economic Development, *4*(4), 1–7.

El Wassal, K. A. (2013). The development of stock markets: in search of a theory. *International Journal of Economics and Financial Issues*, *3*(3), 606–624.

Elliott, K. (2008). The Development of The Stock Market and Its Effect on Economic Growth : The Case of Sadc ., (November).

Elliott, K. A. (2009). The Development of the Stock Market and Its Effect on Economic Growth: The Case of SADC. Rhodes University.

Elvitigala, G., Amaratunga, D., & Haigh, R. (2007). The impact of training and development towards women's career in construction: research methodological perspective.

Ewah, S. O. E., Esang, A. E., & Bassey, J. U. (2009). Appraisal of capital market efficiency on economic growth in Nigeria. *International Journal of Business and Management*, *4*(12), p219.

Exchange, N. S. (2014). Capital Markets Authority (CMA). *Nairobi Securities Exchange Website: Https://www. Nse. Co. ke/regulatoryframework/category/27-Capital-Markets-Authority-Cma. Html*.

Ezeoha, A., Ebele, O., & Ndi Okereke, O. (2009). Stock market development and private investment growth in Nigeria. *Journal of Sustainable Development in Africa*, *11*(2), 20–35.

Fayyad, A., & Daly, K. (2010). The Volatility of Market Returns: A Comparative Study of Emerging versus Mature Markets. *International Journal of Business and Management*, *5*(7), p24.

Fischer, S. (1993). The role of macroeconomic factors in growth. *Journal of Monetary Economics*, *32*(3), 485–512.

Flick, U. (2009). *An introduction to qualitative research*. Sage.

Fund, I. M. (2004). Global Financial Stability Report. *World Economic and Financial Surverys*, *1*. http://doi.org/10.1017/CBO9781107415324.004

Fund, I. M. (2014). World economic outlook database. IMF Washington.

Garcia, V. F., & Liu, L. (1999). Macroeconomic determinants of stock market development. *Journal of Applied Economics*, *2*(1), 29–59.

Geetha, C., Mohidin, R., Chandran, V. V., & Chong, V. (2011). The relationship between inflation and stock market: evidence from Malaysia, United States and China. *International Journal of Economics and Management Sciences*, *1*(2), 1–16.

Gray, D. E. (2013). *Doing research in the real world*. Sage.

Green, J., & Thorogood, N. (2004). In-depth interviews. *Qualitative Methods for Health Research*, *2*, 93–122.

Greene, W. H. (2008). The econometric approach to efficiency analysis. *The Measurement of Productive Efficiency and Productivity Growth*, 92–250.

Greenwood, J., & Jovanovic, B. (1989). *Financial development, growth, and the distribution of income*. National Bureau of Economic Research.

Grix, J. (2010). *The foundations of research*. Palgrave Macmillan.

Gross, D. M. (2001). *Financial Intermediation: A contributing factor to economic growth and employment*. International Labour Organisation.

Gujarati, D. N. (2003). Basic Econometrics. 4th. New York: McGraw-Hill.

Gujarati, D. N. (2012). *Basic econometrics* (fourth edi). Tata McGraw-Hill Education.

Gupta, R., & Guidi, F. (2012). Cointegration relationship and time varying co-movements among Indian and Asian developed stock markets. *International Review of Financial Analysis*, *21*, 10–22.

Gurusamy. (2009). *Indian Financial System*, *2E*. Tata McGraw-Hill Education.

Hailemariam and Guotai. (2014). Stock market development and economic growth: *International Journal of Economics:Empirical Evidence for Emerging Market Economies*, *2*,(No. 2, 2014,), 171–181.

Hakura, M. D. (2006). Growth in the Middle East and North Africa. *International Monetary Fund*.

Hampel, F. R., Ronchetti, E. M., Rousseeuw, P. J., & Stahel, W. A. (1986). Robust statistics:The approach based on influence functions. *Wiley& Sons, New York*.

Har, W.-M., Ee, C.-S., & Tan, C.-T. (2008). Stock Market and Economic Growth in Malaysia: Casuality Test. *Asian Social Science*, *4*(4), 86–92.

Harrison, B., & Moore, W. (2012). Stock Market Efficiency, Non-Linearity, Thin Trading and Asymmetric Information in MENA Stock Markets. *Economic Issues*, *17*(1), pp. 77–93.

Harwell, M. R. (2011). Research design in qualitative/quantitative/mixed methods. *The Sage Handbook for Research in Education. 2nd Ed. Los Angeles, CA: Sage*, 147.

Holloway, I., & Wheeler, S. (2013). *Qualitative research in nursing and healthcare*. John Wiley & Sons.

Hou, H., & Cheng, S.-Y. (2010). The roles of stock market in the finance-growth nexus: time series cointegration and causality evidence from Taiwan. *Applied Financial Economics*, *20*(12), 975–981.

Hussain, M. A., Elyas, T., & Nasseef, O. A. (2013). Research Paradigms: A Slippery Slope for Fresh Researchers. *Life Science Journal*, *10*(4), 2374–2381.

Ibrahim, M. A. (2013). Financial development and economic growth in Saudi Arabian economy. *Applied Econometrics and International Development*, *13*(1), 133–144.

Ihendinihu, J. U., & Onwuchekwa, J. C. (2012). Stock market performance and economic growth in Nigeria (1984-2011). *Journal of Emerging Trends in Economics and Management Sciences, 3*(6), 971–977.

Ikikii, S. M., & Nzomoi, J. N. (2013). An Analysis of the Effects of Stock Market Development on Economic Growth in Kenya. *International Journal of Economics and Finance*, *5*(11), 145–151. http://doi.org/10.5539/ijef.v5n11p145

International Monetary Fund. (2015). World Economic Outlook Database.

International Monetary Fund. (2016). Tunisia Selected Issues; IMF Country Report No. 16/47; September 16, 2015, (16), 0–17.

Islam, R. (2010). Banks , Stock Markets and Economic Growth : Evidence, *37*(3).

Jalloh, M. (2009). The role of financial markets in economic growth. *West African Institute of Financial and Economic Management. URL: Http://www. Waifemcbp. org/v2/dloads/THE% 20ROLE% 20OF% 20FINNCIAL% 20MARKET. Pdf (24.04. 2013)*.

Jalloh, M. (2015). Does Stock Market Capitalization Influences Economic Growth in Africa?: Evidence from Panel Data. *Applied Economics and Finance*, *2*(1), 91–101.

Johnson, R. B., & Onwuegbuzie, A. J. (2004). Mixed methods research: A research paradigm whose time has come. *Educational Researcher*, *33*(7), 14–26.

Kagochi, J. M., Al Nasser, O. M., & Kebede, E. (2013). Does financial development hold the key to economic growth?: the case of sub-Saharan Africa. *The Journal of Developing Areas*, *47*(2), 61–79.

Kamal, M. (2013). Financial Development and Economic Growth in Egypt: A Re-investigation. *Available at SSRN 2297228*.

Kar, M., Nazlıoğlu, Ş., & Ağır, H. (2011). Financial development and economic growth nexus in the MENA countries: Bootstrap panel granger causality analysis. *Economic Modelling*, *28*(1), 685–693.

Kemal, A. R., Qayyum, A., & Hanif, M. N. (2004). Financial development and economic growth: evidence from a heterogeneous panel of high income countries.

Khan, A. (2000). The finance and growth nexus. *Business Review, 2*.

Khater Arabi, A. M. (2014). The Effect of Financial Development on Economic Growth in Sudan: Evidence from VECM Model. *International Journal of Economics and*

Finance, *6*(11), 72–82. http://doi.org/10.5539/ijef.v6n11p72

Kim, T.-Y., Shin, J., Kim, Y., & Lee, J.-D. (2014). The Relationship Among Stock Markets, Banks, Economic Growth, and Industry Development. In *Economic Growth* (pp. 279–292). Springer.

Kimani, D., & Olweny, T. (2011). Stock market performance and economic growth, empirical evidence from Kenya using causality test approach. *Advances in Management and Applied Economics Journal*, *1*(3).

Kirankabeş, M. C., & Başarir, Ç. (2012). Stock market development and economic growth in developing countries: An empirical analysis for Turkey. *International Research Journal of Finance and Economics*, (87), 134–146.

Kolapo, F. T., & Adaramola, A. O. (2012). The impact of the Nigerian capital market on economic growth (1990-2010). *International Journal of Developing Societies*, *1*(1), 11–19.

Koslowski, P. (2011). The Ethical Economy of the Capital Market. In *The Ethics of Banking* (pp. 31–49). Springer.

Kumari, P. (2013). IPOs and its Performance in India for 2012. *International Journal of Management, IT and Engineering*, *3*(11), 212.

Kuwait Financial Centre “Markaz.” (2016).

Kyophilavong, P., & Shahbaz, M. (2014). The Nexus Between Financial Development and Economic Growth in Laos Gazi Salah Uddin.

Kyophilavong, P., Uddin, G., & Shahbaz, M. (2014). *The nexus Between Financial Development and Economic Growth in Laos*.

Lagoarde-Segot, T., & Lucey, B. M. (2007). Capital market integration in the Middle East and North Africa. *Emerging Markets Finance and Trade*, *43*(3), 34–57.

Lagoarde-Segot, T., & Lucey, B. M. (2008). Efficiency in emerging markets—Evidence from the MENA region. *Journal of International Financial Markets, Institutions and Money*, *18*(1), 94–105.

Law, S. H., & Singh, N. (2014a). Does too much finance harm economic growth? *Journal of Banking & Finance*, *41*, 36–44.

Law, S. H., & Singh, N. (2014b). Does too much finance harm economic growth? *Journal of Banking & Finance*, *41*, 36–44.

Levine, R. (1997). Financial development and economic growth: views and agenda. *Journal of Economic Literature*, 688–726.

Levine, R. (2005). Finance and growth: theory and evidence. *Handbook of Economic Growth*, *1*, 865–934.

Levine, R., & Renelt, D. (1992). A sensitivity analysis of cross-country growth regressions. *The American Economic Review*, 942–963.

Levine, R., & Zervos, S. (1998a). Capital control liberalization and stock market development. *World Development*, *26*(7), 1169–1183.

Levine, R., & Zervos, S. (1998b). Stock markets, banks, and economic growth. *American Economic Review*, 537–558.

Lipsky, J. (2007). Developing Deeper Capital Markets in Emerging Market Economies. *Remarks at the US Department of the Treasury*.

Lucas, R. E. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, *22*(1), 3–42.

M Balcilar, R Demirer, S Hammoudeh, A. K. (2013). Do Global Shocks Drive Investor Herds in Oil-Rich Frontier Markets? *Available at SSRN â€¦*. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2199136

Mackenzie, N., & Knipe, S. (2006). Research dilemmas: Paradigms, methods and methodology. *Issues in Educational Research*, *16*(2), 193–205.

Marashdeh, H., & Shrestha, M. B. (2010). Stock market integration in the GCC countries. *International Research Journal of Finance and Economics*, *37*(37), 102–114.

Marshall, C., & Rossman, G. (2010). Designing qualitative research. London, UK: Sage.

Masoud, N. M. H. (2009). Libya's economic reform programme and the case for a stock market. University of Huddersfield.

Matadeen, J. S., Seetanah, B., Sookia, N., & Gonpot, P. (n.d.). STOCK MARKET DEVELOPMENT AND ECONOMIC GROWTH: EVIDENCE FROM ISLAND ECONOMIES IN PANEL VAR FRAMEWORK.

Matadeen, J., & Seetanah, B. (2015). STOCK MARKET DEVELOPMENT AND ECONOMIC GROWTH: EVIDENCE FROM MAURITIUS.

Mendez, J. G. (2011). 2 . Key Challenges for the MENA Region Job creation is the top priority ., (January), 1–27.

Mishal, Z. A. (2011). Financial development and economic growth: Evidence from Jordan economy. *The Journal of Business and Economic Studies*, *17*(2), 20.

Mittal, R. (2014). The Effects of Market Capitalization Ratio on GDP Growth and Capital Market Robustness in Newly Industrialized Countries.

Moriarty, J. (2011). Qualitative methods overview.

Musalta, P. I. (2014). The Effect of Inflation on Foreign Exchange Rate Fluctuation In Kenya. University of Nairobi.

Musyoki, D., Pokhariyal, G. P., & Pundo, M. (2012). The impact of real exchange rate volatility on economic growth: Kenyan evidence. *Business and Economic Horizons*, *7*(7/2012), 59–75.

Musyoki, D., & Pundo, M. (2012). Real Exchange Rate Equilibrium and, *3*(4), 24–42.

Naceur, S. Ben, Boubakri, N., & Ghazouani, S. (2008). Privatization and Financial Market Development: A Comparison Between MENA Countries and Other Regions.

Naceur, S. Ben, & Ghazouani, S. (2007). Stock markets, banks, and economic growth: Empirical evidence from the MENA region. *Research in International Business and Finance*, *21*(2), 297–315. http://doi.org/10.1016/j.ribaf.2006.05.002

Naceur, S. Ben, Ghazouani, S., & Omran, M. (2005). The determinants of stock market development in the Middle-Eastern and North African region. *Managerial Finance*, *33*(7), 477–489. http://doi.org/10.1108/03074350710753753

Naceur, S. Ben, Ghazouani, S., & Omran, M. (2008). Does stock market liberalization spur financial and economic development in the MENA region? *Journal of Comparative Economics*, *36*(4), 673–693.

Nazir, M. S., Nawaz, M. M., & Gilani, U. J. (2010). Relationship between economic growth and stock market development. *African Journal of Business Management*, *4*(16), 3473–3479.

Ndako, U. B. (2010). Financial Development, Economic Growth and Stock Market Volatility: Evidence from Nigeria and South Africa, (October). Retrieved from http://hdl.handle.net/2381/8924

Neuman, W. L., & Kreuger, L. (2003). *Social work research methods: Qualitative and* *quantitative approaches*. Allyn and Bacon.

Ngare, E., Nyamongo, E. M., & Misati, R. N. (2014). Stock market development and economic growth in Africa. *Journal of Economics and Business*, *74*, 24–39.

Noor, K. B. M. (2008). Case study: A strategic research methodology. *American Journal of Applied Sciences*, *5*(11), 1602–1604.

Nowbutsing, B. M., & Odit, M. P. (2011). Stock market development and economic growth: the case of Mauritius. *International Business & Economics Research Journal (IBER)*, *8*(2).

Nurudeen, A. (2009). Does stock market development raise economic growth? Evidence from Nigeria. *The Review of Finance and Banking*, *1*(1), 15–26.

Nwaolisa, E. F., Kasie, E. G., & Egbunike, C. F. (2013). The Impact of Capital Market on the Growth of the Nigerian Economy under Democratic Rule. *Arabian Journal of Business and Management Review (OMAN Chapter)*, *3*(2), 53–62.

Odhiambo, N. M. (2010). Stock Market development and economic growth in South Africa: an ARDL-bounds testing approach. *World Business Institute*.

Odili, O., & Ezeudu, J. I. (2015). Evidence on the Dynamic The Impact of Capital Market Performance on the Nigerian Economy. *International Journal of Financial Economics*, *2*(4), 181–190.

OECD. (2005a). Challenges for Reform of Financial Markets in Mena Countries. *Europe*.

OECD. (2005b). Investment Climate and Regulation of International Investment In Mena Countries Assessment of Available Information , and General Recommendations - Working Group 1 - MENA – OECD Investment Programme.

OECD. (2011). Socio-Economic Context and Impact of the 2011 Events in the Middle East and North Africa Region, (December).

OECD. (2012). The Role of Stock Exchanges in Corporate Governance. *OECD Working Paper*, 1–32. http://doi.org/10.1787/fmt-v2009-art10-en

OECD. (2013). Privatisation and Demutualisation of MENA Stock Exchanges: To Be or Not To Be?, 1–92.

Ogege, S., & Ezike, J. E. (2012a). The Nigerian Capital Market and Economic Development: A Critical Appraisal. *International Business Research*, *5*(8), 228–

236.

Ogege, S., & Ezike, J. E. (2012b). The Nigerian capital market and economic development: A critical appraisal. *International Business Research*, *5*(8), p228.

Ogunmuyiwa, M. S. (2010). Investor's Sentiments, Stock Market Liquidity and Economic Growth in Nigeria. *Journal of Social Sciences*, *23*(1), 63–67.

Oke, M. O., & Adeusi, S. O. (2012). Impact of capital market reforms on economic growth: The Nigerian experience. *Australian Journal of Business and Management Research*, *2*(2), 20–30.

Okodua, H., & Ewetan, O. O. (2013). Stock Market Performance and Sustainable Economic Growth in Nigeria: A Bounds Testing Co-integration Approach. *Journal of Sustainable Development*, *6*(8).

Oluwatosin, E. O., Taiwo, A., & Yusuf, S. A. (2013). Empirical Analysis of the Impact of Capital Market Efficiency on Economic Growth and Development in Nigeria. *International Journal of Academic Research in Economics and Management Sciences*, *2*(6), 44.

Omran, M., & Bolbol, A. (2003). Foreign direct investment, financial development, and economic growth: evidence from the Arab countries. *Review of Middle East Economics and Finance*, *1*(3), 231–249.

Omran, M., & Farrar, S. V. (2006). Tests of weak form efficiency in the Middle East emerging markets. *Studies in Economics and Finance*, *23*(1), 13–26.

Osinubi, T. S., & Amaghionyeodiwe, L. A. (2003). Stock market development and long-run growth in Nigeria. *Journal of African Business*, *4*(3), 103–129.

Oskooe, S. A. P. (2010). Emerging stock market performance and economic growth. *American Journal of Applied Sciences*, *7*(2), 265–269.

Ouma, W. N., & Muriu, P. (2014). The impact of macroeconomic variables on stock market returns in Kenya. *International Journal of Business and Commerce*, *3*(11), 1.

Outlook, R. E. (2015). *Regional economic outlook. Middle East and Central Asia.* (Vol. 33).

Pagano, M. (1993). Financial markets and growth: an overview. *European Economic Review*, *37*(2), 613–622.

Palamalai, S., & Prakasam, K. (n.d.). Stock Market Development and Economic Growth in India: An Empirical Analysis. *International Journal of Finance & Banking Studies*, *3*(3), 30.

Paramati, S. R., & Gupta, R. (2013). An Empirical Analysis of Stock Market Performance and Economic Growth: Evidence from India. *International Research Journal of Finance and Economics*, *ISSN*, 1450–2887.

Park, H. M. (2005). Linear regression models for panel data using SAS, Stata, LIMDEP, and SPSS. *Indiana University*.

Phang, C. K. (2006). The Linkages Between Stock Return And Macroeconomic Variables In Malaysia. USM.

Pillay, D. (2014). The relationship between financial market development and economic growth in the Southern Africa Development Community.

Podestà, F. (2002). Recent developments in quantitative comparative methodology: The case of pooled time series cross-section analysis. *DSS Papers Soc*, *3*(2), 5–44.

Pradhan, R. P., Arvin, M. B., Samadhan, B., & Taneja, S. (2013). The Impact of Stock Market Development on Inflation and Economic Growth of 16 Asian Countries: A Panel VAR Approach. *Applied Econometrics and International Development*, *13*(1), 203–218.

Qayyum, A., Siddiqui, R., & Hanif, M. N. (2004). Financial development and economic growth: evidence from heterogeneous panel data of low income countries.

Quartey, P., & Prah, F. (2008). Financial development and economic growth in Ghana: is there a causal link? *African Finance Journal*, *10*(1), 28–54.

Rad, A. A., & Etemadmoghaddam, F. (2014). The Long-run Relationship between the Financial System and Economic Growth: New Evidence from Iran.

Rahman, M. M., & Salahuddin, M. (2010). The determinants of economic growth in Pakistan: does stock market development play a major role? In *Proceedings of the 38th Australian Conference of Economists (ACE 2009)* (pp. 1–22). Economic Society of Australia (South Australian Branch).

Rajan, R. G., & Zingales, L. (2003). The great reversals: the politics of financial development in the twentieth century. *Journal of Financial Economics*, *69*(1), 5–50.

Rasaki, K., Saffiyah, S., Kamilu, R., & Hakeem, B. (2013). The Impact of Capital Market on the Nigerian Economy. *Development*, *4*(8).

Rasmidatta, P. (2011). The Relationship Between Domestic Saving and Economic Growth and Convergence Hypothesis: Case Study of Thailand.

Ravichandran, K., & Maloain, A. M. (2010). Global financial crisis and stock market linkages: further evidence on GCC market. *Journal of Money, Investment and Banking*, *16*, 46–56.

Regmi, U. R. (2012). Stock market development and economic growth: Empirical evidence from Nepal. *Administration and Management Review*, *24*(1), 1–28.

Rezaee, Z. (2011). *Financial Services Firms: Governance, Regulations, Valuations, Mergers, and Acquisitions* (Vol. 14). John Wiley & Sons.

Riman, H. B., Esso, I. E., & Eyo, E. (2008). Stock market performance and economic growth in Nigeria, A causality investigation. *Global Journal of Social Sciences*, *7*(2).

Rioja, F., & Valev, N. (2011). Stock markets, banks and the sources of economic growth in low and high income countries. *Journal of Economics and Finance*, *38*(2), 302–320. http://doi.org/10.1007/s12197-011-9218-3

Romer, P. M. (1986). Increasing returns and long-run growth. *The Journal of Political Economy*, 1002–1037.

Rousseau, P. L., & Wachtel, P. (2000). Equity markets and growth: cross-country evidence on timing and outcomes, 1980–1995. *Journal of Banking & Finance*, *24*(12), 1933–1957.

Rousseau, P. L., & Wachtel, P. (2011). What is happening to the impact of financial deepening on economic growth? *Economic Inquiry*, *49*(1), 276–288.

Saad, W. (2014). Financial Development and Economic Growth: Evidence from Lebanon. *International Journal of Economics and Finance*, *6*(8), 173–186. http://doi.org/10.5539/ijef.v6n8p173

Sahu and Dhiman. (2011). Correlation and Causality between Stock Market and Macro Economic Variables in India : An Empirical Study. *Social Sciences*, *3 /2011*, 281–284.

Saif, I., & Yaseen, H. (2006). Banking System Convergence in MENA. *Arab Academy* *for Banking*.

Salihi, A. A., Ibrahim, F. B., Muhammad, S., & Ahmad, T. H. (2015). An Assessment of Nigerian Stock Exchange Market Development to Economic Growth. *American International Journal of Social Science*, *4*(2325-4149), 51–58.

Saudi Arabian Monetary Agency. (2015). Financial Stability Report 2015. *Saudi Arabian Monetary Agency*, 1–57. Retrieved from http://www.sama.gov.sa/en-US/EconomicReports/Pages/FinancialStability.aspx

Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students.* Pearson Education India.

Seetanah, B., Ramessur, S. T., & Rojid, S. (2009). Financial development and economic growth: New evidence from a sample of island economies. *Journal of Economic Studies*, *36*(2), 124–134.

Seetanah, B., Subadar, U., Sannassee, R. V., Lamport, M., & Ajageer, V. (2012). *Stock market development and economic growth: Evidence from least developed countries*. Hochschule fuer Technik und Wirtschaft, Berlin.

Seetanah, Sannassee, V., & Lamport, M. (2008). Stock Market Development and Economic Growth in Developing countries: Evidence from Panel VAR framework. CSAE Working Paper 041, University of Oxford, UK. Available from: http://www. csae. ox. ac. uk/conferences/2010-EDiA/papers/041-Seetanah. pdf [Accessed 04 October 2010].

Shahbaz, M., Ahmed, N., & Ali, L. (2008). Stock market development and economic growth: ARDL causality in Pakistan. *International Research Journal of Finance and Economics*, *14*(1), 182–195.

Shen, C.-H., & Lee, C.-C. (2006). Same financial development yet different economic growth: why? *Journal of Money, Credit and Banking*, 1907–1944.

Singh, A. (1997). Financial liberalisation, stockmarkets and economic development*. *The Economic Journal*, *107*(442), 771–782.

Singh, A. (2008). Stock Markets in Low and Middle Income Countries. *Centre for Business Research, University of Cambridge*, (377).

Sothan, S. (2014). Causal relationship between domestic saving and economic growth: Evidence from Cambodia. *International Journal of Economics and Finance*, *6*(9), 213.

T, Oladipo and Tunde, A. (2010). Stock Market Development and Economic Growth: Evidence from Nigeria. *European Journal of Economics Finance and Administrative Sciences*, *25*(25), 15–26. Retrieved from http://www.eurojournals.com/ejefas_25_05.pdf

Tabachnick, B. G., & Fidell, L. S. (2001). Using multivariate statistics.

Tachiwou, A. M. (2010). Stock market development and economic growth: the case of West African monetary union. *International Journal of Economics and Finance*, *2*(3), p97.

Tang, D. (2006). The effect of financial development on economic growth: evidence from the APEC countries, 1981–2000. *Applied Economics*, *38*(16), 1889–1904.

Tarhom, D. (2014). Causal Relationship Between Stock Market Performances and Economic Growth in Nigeria. *Innovare Journal of Social Sciences*.

Ujunwa, A., & Salami, O. P. (2010). Stock market development and economic growth: Evidence from Nigeria. *European Journal of Economics, Finance and Administrative Sciences*, *25*, 44–53.

Ullah, F., & Rauf, A. (2013). Impacts of Macroeconomic Variables on Economic Growth: A Panel Data Analysis of Selected Asian Countries. *International Journal of Information, Business and Management*, *5*(2), 4.

Usman, U. A., & Alfa, A. B. (2013). Nigeria Stock Exchange Market and Economic Growth : A Johansen Cointegration and Causality Approach Issn : 2278-6236, *2*(2278-6236), 74–83.

Vacu, N. P. (2013). The Impact of Stock Market Development on Economic Growth : Evidence from South Africa.

Van Nieuwerburgh, S., Buelens, F., & Cuyvers, L. (2006). Stock market development and economic growth in Belgium. *Explorations in Economic History*, *43*(1), 13–38.

Vazakidis, A., & Adamopoulos, A. (2011). Financial Development and Economic Growth An Empirical Analysis for UK. *European Research Studies*, *XIV*(2), 136–147. http://doi.org/10.3844/ajassp.2009.1410.1417

Wang, B., & Ajit, D. (2013). Stock Market and Economic Growth in China. *Economics Bulletin*, *33*(1), 95–103.

Wild, J., & Lebdaoui, H. (2014). Stock market performance and economic growth in Morocco. *Global Advanced Research Journal of Management and Business Studies*, *3*(5), 207–216.

Wong, A., & Zhou, X. (2011). Development of financial market and economic growth: Review of Hong Kong, China, Japan, the United States and the United Kingdom. *International Journal of Economics and Finance*, *3*(2), p111.

Wooldridge, J. (2012). *Introductory econometrics: A modern approach*. Cengage Learning.

World Bank. (2016). World Development Indicators.

World Bank Group. (2015). *Global Economic Prospects:The Global Economy in Transition*. *Global Economic Prospects*. http://doi.org/10.1596/978-1-4648-0483-0

World development indicators. (2012). *World development indicators 2012*. World Bank Publications.

World Development Indicators. (2012). World Development Indicators2012. Retrieved from http://data.worldbank.org/data-catalog/world-development-indicators

World Economic Outlook Database. (2015). World Economic and Financial Surveys.

Wurgler, J. (2000). Financial markets and the allocation of capital. *Journal of Financial Economics*, *58*(1), 187–214.

Yadirichukwu, E., & Chigbu, E. E. (2014). The impact of capital market on economic growth: the Nigerian Perspective. *International Journal of Development and Sustainability*, *3*(4), 838–864.

Yartey, C. A. (2008). The determinants of stock market development in emerging economies: Is South Africa different? *IMF Working Papers*, 1–31.

Yartey, C. A., & Adjasi, C. K. (2007). *Stock market development in Sub-Saharan Africa: Critical issues and challenges*. International Monetary Fund.

Yousfat, A. (2015). Finance-Growth Nexus Revisited : An Evidence From United Arab Emirates, *27*(4), 3417–3423.

Yuncu, L. E. Z. (2007). Financial Development and Economic Growth.

Zaher, T. S. (2007). Middle East and North Africa markets: investment challenges and market structure. *Networks Financial Institute Working Paper*, (2007-WP), 30.

Zegada Escobar, A. S. (2011). Capital market development and economic growth in

Bolivia.

Zellner, A., & Rossi, P. E. (1984). Bayesian analysis of dichotomous quantal response models. *Journal of Econometrics*, *25*(3), 365–393.

Zermeño T, E. andT preciado. (2011). Stock Market Development , Financial Development and Economic Growth in Southeast Asia and Latin America, 1–14.

Zhang, L. (2001). The Impact of Transaction Tax on Stock Markets: Evidence from an emerging market. *Unpublished MS Research Paper, Greenville: Department of Economics, East Carolina University*.

Zivengwa, T., Mashika, J., Bokosi, F. K., & Makova, T. (2011). Stock market development and economic growth in Zimbabwe. *International Journal of Economics and Finance*, *3*(5), p140.